

SENATE BILL 3498

By Bunch

AN ACT to amend Tennessee Code Annotated, Title 4, Chapter 51 and Title 49, relative to educational programs and purposes funded from proceeds of the state lottery.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 49, Chapter 6, is amended by adding the following language as a new, appropriately designated part:

§ 49-6-\_\_\_\_.

(a) The department of education shall establish, administer and monitor a system of grants to LEAs to provide funding for capital outlay projects for K-12 educational facilities. Such grants shall supplement, not supplant, non-lottery educational resources for K-12 capital outlay projects.

(b) There is created within the state treasury a fund to be known as the "lottery for education K-12 capital outlay project grant fund" hereinafter referred to as the "K-12 capital outlay fund".

(c) In any fiscal year in which the financial assistance program for attendance at postsecondary educational institutions located within this state is funded pursuant to title 49, chapter 4, part 9, and excess funds are available in the lottery for education account, excluding funds in the general shortfall reserve subaccount or the special reserve subaccount, for other educational purposes and projects consistent with article XI, § 5 of the Constitution of Tennessee, the general assembly may appropriate such funds to the department of education for deposit in K-12 capital outlay fund.

(d)

(1) Moneys in the K-12 capital outlay fund shall be available to the department of education to make grants to LEAs for K-12 capital outlay projects. Grants shall be awarded in four-year cycles with each LEA receiving one (1) grant in the grant cycle. No four-year grant cycle shall commence prior to the end of the previous grant cycle.

(2) Before the start of a four-year grant cycle, the department shall examine the costs associated with K-12 capital outlay projects and shall determine and certify to the governor and the general assembly a threshold dollar amount per student that is required in order to provide grants which result in substantial and meaningful educational benefits to public school students. The actual grant amount per pupil for the four-year grant cycle shall equal or exceed the threshold dollar amount per pupil. If insufficient moneys are available in the K-12 capital outlay fund to meet the threshold dollar amount per pupil as determined by the department, then the cycle of grants shall be postponed. The department shall notify the governor and the general assembly of a determination to postpone a grant cycle. Each year after a grant cycle has been postponed, the department shall make a determination of a threshold dollar amount per student that is required for such grants and a new cycle of grants shall commence when funds equaling or exceeding those required by the threshold amount have accumulated. When sufficient funds have accumulated in the K-12 capital outlay fund to commence another grant cycle, then the department shall certify to the governor and the general assembly the threshold amount and a new four-year cycle shall commence.

(3) In the first year in which sufficient funds are available for disbursement in grants to LEAs in accordance with subdivision (d)(2), the department shall take a census of the LEAs to determine the student population of each LEA and the total student population of all LEAs in the state. The first grant cycle shall begin in the year of the first student census. A new student census shall be taken at the start of each four-year grant cycle thereafter.

(4) The grant amount per student in each four-year grant cycle shall be the total amount of money available in the K-12 capital outlay fund in the year of the student census divided by the total state student population as determined by the census. A grant shall be made to an LEA according to its student population as determined by the applicable student census.

(5) Each LEA shall receive one (1) grant in a grant cycle with the grant being disbursed in one (1) payment.

(e) Amounts remaining in the K-12 capital outlay fund at the end of each fiscal year shall not revert to the general fund or to the lottery for education account, but shall be carried forward into the subsequent fiscal year and shall remain available for use by the department for K-12 capital outlay projects that supplement, not supplant, non-lottery educational resources for such projects. Moneys in the fund shall be invested by the state treasurer pursuant to title 9, chapter 4, part 6, for the sole benefit of the fund. All earnings attributable to such investment shall be credited to the fund.

SECTION 2. The provisions of this act shall not be construed to be an appropriation of funds and no funds shall be obligated or expended pursuant to this act unless such funds are specifically appropriated by the general appropriations act.

SECTION 3. This act shall take effect upon becoming a law, the public welfare requiring it.